



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98009-9734

October 1, 2010

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Advice No. 2010-22 – Electric Tariff Filing – Filed Electronically

Dear Mr. Danner:

Pursuant to RCW 80.28.060, WAC 480-80-101 and -105 please find enclosed for filing the following proposed revisions to the WN U-60, tariff for electric service of Puget Sound Energy, Inc. (the “Company” or “PSE”):

8th Revision of Sheet No. 194 – Schedule 194 – Residential And Farm Energy Exchange Benefit
2nd Revision of Sheet No. 194-a – Schedule 194 – Residential And Farm Energy Exchange Benefit
(Continued)

The purpose of this filing is to implement changes to rates to pass-through a reduction in the benefits that PSE expects to receive under a Residential Purchase and Sale Agreement, Contract No. 08PB-11974 (the “Agreement”) between PSE and the Bonneville Power Administration (“BPA”). The Agreement with BPA provides benefits to PSE’s eligible residential and farm customers on rate Schedules 7, 7A, 8, 10, 11, 12, 29, 35, 56, and 59 and this filing effects a decrease in the credit rate and increased total bills to all customers on these schedules. This proposal represents the pass-through to eligible residential and farm customers a credit of \$66,451,387 over the eleven months beginning November 1, 2010, at a credit rate of \$0.006292 per kWh.

This filing represents a reduction in the amount of benefits available to PSE’s customers from the amount currently being credited to customers, resulting in a 1.0% or \$0.98 increase in the total bill for a typical residential customer using 1,000 kWh per month. The reduction in the amount of benefits available to PSE’s customers results from a decrease in PSE’s Average System Cost (“ASC”) coupled with an increase in several of the other exchanging utilities’ ASCs. This relative change in ASCs, which is an integral component in the calculation of Residential Exchange benefits, resulted in a reallocation of benefits among the exchanging utilities, thereby reducing the amount of benefits that are available to PSE’s customers. This reallocation of benefits is done

periodically and may result in either a decrease or increase of the benefits depending on relative changes in ASCs by the exchanging utilities. The filing does not change PSE's net revenue, as it is a pass-through of funds received from BPA. Work papers supporting this filing are enclosed.

In addition, this filing includes three changes, including a new sentence to provide greater clarity and also one new provision regarding eligibility that is needed due to provisions in the Agreement with BPA.

The tariff sheets described herein reflect issue dates of October 1, 2010, and effective dates of November 1, 2010. Posting of proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed immediately prior to or coincident with the date of this transmittal letter through web, telephone and mail access in accordance with WAC 480-90-193.

This filing represents an increase in customer bills, therefore, the Company will provide notice to customers in accordance with WAC 480-100-194(2) through a notice published at least thirty days before the stated effective date of the filing.

Please contact Lynn Logen at (425) 462-3872 for additional information about this filing. If you have any other questions please contact me at (425) 462-3495.

Very truly yours,



Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

cc: Simon J. ffitich, Public Counsel
Sheree Carson, Perkins Coie